

South Asia Forum for Infrastructure Regulation

The SAFIR Strategic Plan

Submitted to

**The World Bank
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The Backdrop

The South Asian Countries of India, Pakistan, Bangladesh, Sri Lanka, Nepal, and Bhutan have had several years' experience of growth under the "mixed economy" model with the State playing the dominant role in the economy. While there have been many positives in terms of the expansion of commerce and industry, literacy and health services, the negatives have shown up in shortage of electricity, inadequacy of urban services like water supply, sewerage and transport and so on. The need for the infusion of capital into these sectors forced these countries to reassess the role of the government in the infrastructure sector. The nineties have accordingly seen major regulatory changes in the region (Box 1). A number of independent regulators have been appointed and more such appointments are expected. As infrastructural bottlenecks will continue for a long time and delay the introduction of competition in the economy, these newly appointed regulators are expected to play a crucial role in the coming years.

However, from indications available so far it appears that the going may not be smooth for the regulators. The governments are apprehensive of regulatory autonomy. The attempts by regulators to remove or reduce cross subsidisation in the prices of products and services run counter to the governments' compulsions. Regulatory reforms have to win this struggle as well as gain wider acceptance by consumer groups, labour unions, NGOs etc. There is a lot of interests in South Asia in sharing of experience as many feel that the success or failure of an experiment in any of the countries would affect the course of development in the others.

The other problem in regulatory reforms is capacity building on an adequate scale. There are very few institutions in the region offering training or consultancy on regulatory issues. The courses offered by universities in U.K. or U.S A. can take only a limited number of participants from this region and few participants can afford the expense of taking these courses.

Box 1. Status of Regulatory Reforms in the Infrastructure Sector in South Asia**India**

Regulators in telecom and port sectors are in place since 1997. In the power sector, the regulator is in place at the central level since 1998. More than 10 states have appointed power sector regulators. Other states are expected to follow. In the coal, oil and gas sectors, the government is considering new legislation to bring in decontrol.

Sri Lanka

The telecom regulator is in place since 1991. The port regulator is expected soon. In the power sector, the regulator is likely to be in place by the end of 2001. A policy document is being prepared by the Government for introduction of private participation in the water sector.

Pakistan

A regulatory authority called NEPRA has been installed in 1997 under the Regulation of Generation, Transmission and Distribution of Electric Power Act. A gas sector regulator is expected soon. A regulator for the railways is also under consideration.

Nepal

Nepal Telecommunication Authority is the regulatory body in the telecom sector. Steps for establishing a regulatory commission in the water sector are under consideration of the government. An electricity tariff fixation commission is already in place.

Bhutan

The legislation for setting up the Telecommunication Regulatory Authority was endorsed by the Assembly in July 1999. The positioning of an independent regulatory authority in the electricity sector is under consideration of the government.

Bangladesh

Initiatives have been taken in the electricity and gas sectors which are likely to have a common independent regulator. A draft bill for a regulator for the telecom sector is likely to be placed before the Parliament soon.

Recognizing the challenges being faced by the new regulators in the South Asian region, the South Asia Forum for Infrastructure Regulation (SAFIR) was set up in May 1999. An eleven member Steering Committee consisting of infrastructure sector regulators drawn from South Asian Countries was constituted to guide the program. The concept and the strategy to be adopted were discussed in the first meeting of the Steering Committee held at New Delhi in May 1999 and also in the second meeting held at Colombo in October 1999. The Steering Committee meetings have validated the ideas behind the initiative.

Box 2. A SWOT Analysis for SAFIR

The Strength of the SAFIR idea lies in the urgent need for expertise and legitimacy for effective regulatory changes as also the inadequacy of available institutional support in the region. The Weakness could lie in the troubled political relations in the region, the diversity in the laws and traditions and the procedural problems in formalising the SAFIR structure. The Opportunities are plentiful as wide support from regulators is expected and the number of regulators is set to increase rapidly. The Threats come from the limited ability of the targeted beneficiaries to pay for the program and from limitations in the availability of regional expertise. In future, when the number of research organisations in the region capable of supporting regulatory reforms increases, there could be a formal threat to the SAFIR structure but that would not threaten the objective behind the initiative.

The SAFIR Vision

To enhance the capacity for effective and efficient regulation of the infrastructure sector in South Asia and to gain wide support for the reforms required to achieve the desired standard of regulation.

The SAFIR Mission

The mission to fulfil the above vision would be as below:

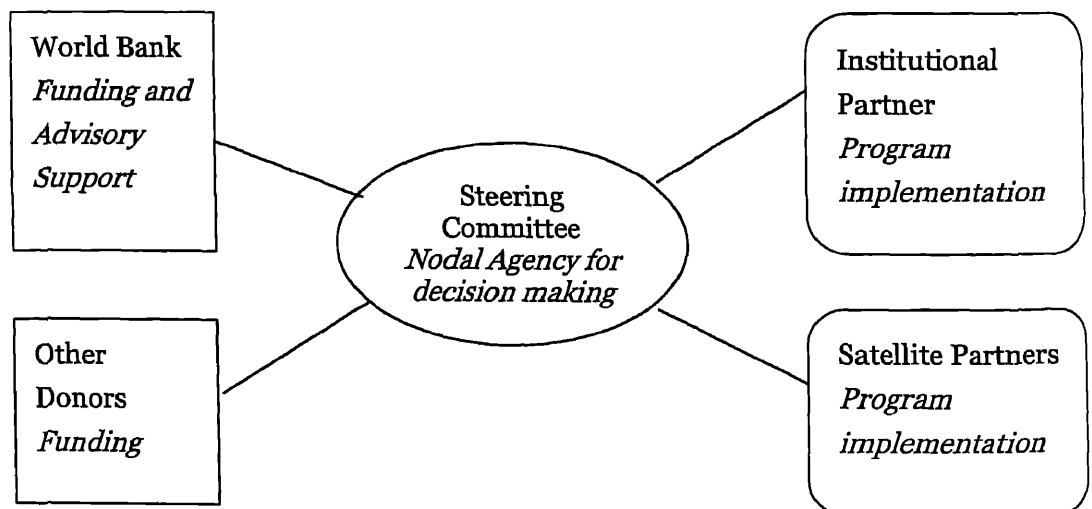
- to develop a sustainable program of high quality, needs oriented training courses, workshops / seminars that would disseminate global best practices in infrastructure regulation
- to provide a forum for sharing of experience and exchange of ideas among regulators, experts in regulation, government officials, utilities, consumer groups, labour unions etc.
- to fulfil the information needs of both the regulators and the regulated

The SAFIR Strategy

The Institutional Structure

The present structure of SAFIR accords primacy to the Steering Committee which consists of eleven regulators drawn from South Asian countries. It is for the steering committee to appoint an institutional partner beyond February 2000 to carry on the task of training and research on regulatory issues and to approve the programs and the budget prepared by the institutional partner. The organisational model could be described in terms of the following diagram:

Model 1



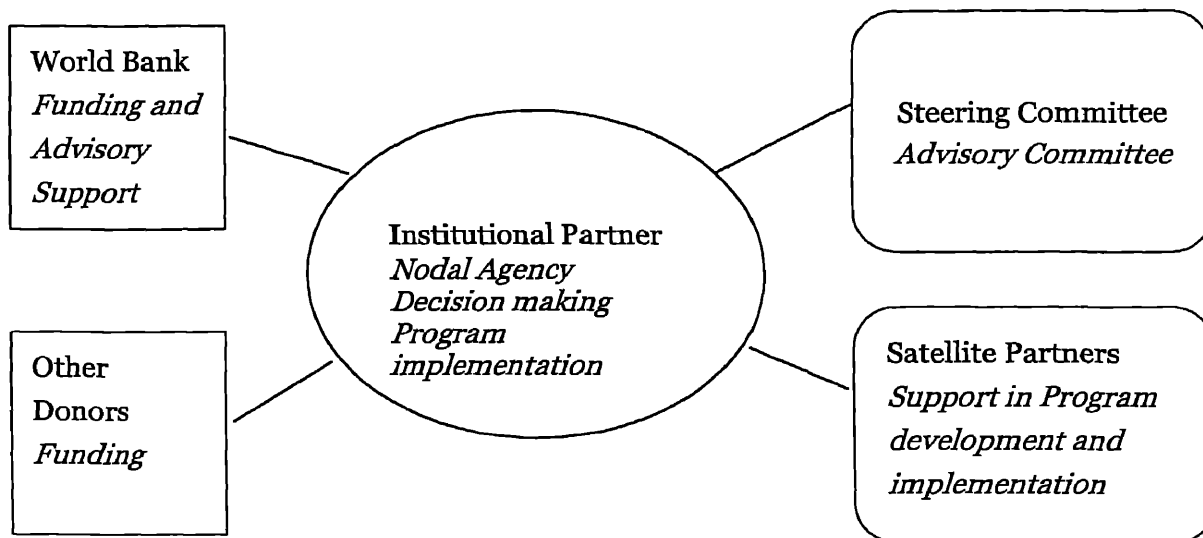
In this model the ownership of the program remains with the regulators of the South Asia region as represented by the Steering Committee. Financial and advisory support of the World Bank and funding by other donor agencies are

extended to the Steering Committee although the financial transactions could be routed through the institutional partner. The Steering Committee would evolve procedures to select and appoint the institutional partner. Satellite Partners could also be developed at the appropriate time in all the South Asian countries to assist both the Steering Committee and the institutional partner in formulating programs for their countries and in implementing them.

At the moment, the Steering Committee is informally constituted. It may be feasible to retain the informal structure over the next 2-3 years. Beyond that period the steering committee may have to acquire a legal status. The question of eligibility for membership, the term of the members, the election of the Steering Committee or smaller committees formed to assist the Steering Committee would become important. The formation of this legal entity would require the approval of the concerned governments. There are formidable procedural hurdles to be crossed in this venture. The role of the World Bank would thus be critical in the initial years.

In the alternative, the Institutional Partner could take ownership of the program and the following organisational structure could be adopted.

Model 2



The primary role given to the Institutional Partner would obviate the problems of the legal status of the Steering Committee. The Steering Committee would play an advisory role which nevertheless would be vital in maintaining the relevance and the viability of the program. The arrangement involving the World Bank, the institutional partner and the Steering Committee could be secured through an MOU between the Bank and the institutional partner. The Steering Committee could, in future, be expanded to take in newly appointed regulators, experts in regulation and representatives of other stakeholders in order to continually improve upon the quality of the program.

Box 3. A SWOT Analysis for Model 1 and Model 2

Model 1

The central role played by the Steering Committee ensures the relevance of the program and improves its marketability. In case the performance of the institutional partner is not up to the mark, the Steering Committee could have the partner replaced although this cannot be done frequently. The present informal structure and the procedural problems in formalising the constitution of the Steering Committee would be serious weak points. There would be an opportunity to secure the involvement of a number of regulators but there could be a threat to the continuity of the ideas behind the program.

Model 2

The institutional partner, having a long-term stake in the program would be able to bring in the benefit of its experience and knowledge of regulation more fully. The problem of the legal status of the Steering Committee would also be avoided. There could be a threat to the relevance of the program if the Steering Committee is unable to exercise control and the program may lose its cross sectoral and cross country perspective.

Comments on November 1999 Draft of the SAFIR Strategic Plan

1 This draft has considerably more material than the earlier version which includes some analysis of the financial viability of the different programs that SAFIR could offer. Overall, however, the draft needs a lot more work and a reorientation of emphasis in many areas. The following points, which we expand upon, need to be addressed if we are to present a credible picture of what SAFIR could and should be, where it is going, and how it will be financed.

- (a) justification for SAFIR – we need more analysis of the results of the Needs Assessment, incorporated with other information on the demand for training and capacity-building and the existing supply of courses and existing abilities (and willingness) to pay,
- (b) financial analysis – we need something much more akin to a business plan which looks at products that charge a cost-recovering price to as great an extent as possible, we have for some time argued that the best way is to develop good products and then where donor support is required look at the extent to which this is available; in essence we should not have the Strategic Plan as a document that lobbies donors by showing large funding gaps but which instead looks at what SAFIR can produce that regulators (and others) will pay for, even if they are using donor funds;
- (c) institutional structures – aside from the Steering Committee, we need to give prominence to the wider body of regulatory agencies in the region, and need to make sure we aren't creating something which is donor driven;
- (d) training and research products – these need to be linked to what we know from the Needs Assessment as well as an assessment of what SAFIR should be doing. There could be all manner of research which could be done into regulation and private infrastructure in South Asia. We need to link this with the analysis in (a) and find areas that SAFIR can focus on, and
- (e) information services and library – we need a serious assessment of the demand for this, and associated costs, with none of the Steering Committee having looked at the website this is quite a concern for us; you will have to document who has been using the center and for what purposes, all the products will need a clear justification

2 Some editorial comments on the draft Strategic Plan are given at the end

Introduction

3 We need to give a brief description of where SAFIR has got to, what it has done, and what participation we have had from regulators. Don't spend more than a page or so on this. It will be useful since we will circulate the Strategic Plan to people who have not been very heavily involved in SAFIR, and they need a picture of what we have done so far

Justifying SAFIR – Demand and Supply

4. The plan needs a much stronger starting point in terms of looking at the justification for SAFIR and its activities. This is referred to on page 1 and elsewhere but we need something with a much more solid analytical base. What are the needs of regulatory agencies, to what extent are these being met at present, and what is the gap?

5 This starting point should be based on the following: (1) the results of the Needs Assessment, (2) an forecast of where demand will go – for example the growth of the number of staff at regulatory commissions in the region, and which groups will be making up the demand, and (3) an assessment of what training courses there are at present, and the extent to which these meet the gap. This latter point should also include an assessment of the extent to which regional examples and lessons are being analyzed and disseminated through these initiatives.

6. One of the key things we need is an idea of where SAFIR should place itself within this market. As an example we expect commissioners from the region would continue to go to Florida if they were looking for a 2 week program but that their staff would attend the SAFIR programs. It is critical to look at the extent to which regulators are presently looking for information needs, research and training through mechanisms other than SAFIR

7. We also need to look at the activities of others e g USAID through the South Asia Regional Initiative, and the extent to which donors have funds which can pay for attendance at cost-based courses

Financial Analysis of SAFIR and the Core Course

8 This has to be much more of a business plan aimed at looking how maximum financial self-sufficiency can be achieved, and minimizing the medium-term reliance on donor funding.

9 The financial picture needs to start from 1999/2000 Remember that we secured PPIAF funding for the costs of faculty and administrative partner. The revenues that we get from the Core Course in Feb 2000, minus the costs paid for accommodation and lecture facilities, can go towards future SAFIR programs, most likely as a float for the next core course If we get around 70 people, this will be a sizeable amount of money The financial viability should be re-assessed taking into account the actual estimated costs and revenues of the Feb 2000 course

10 There are a number of ways in which the financial viability of the core course could be examined This includes: (i) more radical pruning of the core course costs once the set-up costs of this first one have been borne – this will be helped by an assessment of these costs once the course has finished in February 2000; (ii) some participants will pay

more than \$2500 e.g. private sector, and (iii) an assessment of the impact of another 5 or 10 participants at each course - although Florida runs on 85 they often end-up with over 90 participants. Given the fixed cost nature of the course, every additional participant is almost entirely profit. This could include going outside of the South Asia region to participants from East Africa, East Asia etc. to provide some profit to ensure the course makes money or breaks even at best.

11. For international faculty, we should look at the sensitivity of the core course costs to this, but assume that say 3-4 maximum would be paid for by the course.

12. The possibility of a small levy on all the regulators in the region could be considered - if we assume that there will be over 20 regulatory bodies (there must be far more than that) then a \$500 or \$1,000 payment would yield a fair chunk of cash and could be linked with access to the library, preferential access to the training courses etc. - we would need to have a good idea of what they would get for the training program.

Training Capsules - Content

13. Present the financial analysis for this separately from the core activities (above).

14. The list given on pages 11-14 contains interesting topics but (1) covers far too many topics, and (2) covers a number of topics for which conferences will be held - e.g. WBI will have in India next year courses on project finance in March, on water sector reform in February, urban reform in January and power reform in April; there may be other events going on organized by donors. SAFIR could co-host these, or may simply promote these through existing channels (e.g. website, newsletter).

15. If we are going to do training capsules, how do we identify which ones to do? How did you arrive at the list that you presented? Ensuring relevance may not be easy and we need clear guidance from the Steering Committee on this. One option may be to take some of the modules from the core course and do these on a more in-depth basis, rather than start afresh.

16. Establishing training capsules that finance themselves through user fees could be a real pain, as we know from encouraging people to pass the hat around for participants for the core course. There may be options to tackle this however - at the start of each year donors could opt to underwrite a particular capsule they had interest in, although we should make it a principle that a fee is paid to attend these capsules even if it is only around \$150, or regulatory agencies could (perhaps with a source of donor funding) host and organize one and underwrite it that way. The Admin partner could help pull things together but at least one agency would take the lead in pulling together the agenda. This would to some extent provide demand-driven capsules. These approaches are not of course mutually exclusive.

17. Quality control will be important - SAFIR is a brand that we are investing in heavily and we need to make sure adequate mechanisms are in place to ensure that

SAFIR products meet the necessary quality standards. Review by WB and others will have to do this until we think the internal governance structures are such that their ownership of SAFIR means that quality standards will be met.

18. In organizing the capsules we need to be aware that travel costs could be an issue and would have to be met if people from Bangladesh were to come, for example, to To some extent country-specific capsules might be of interest anyway, and this might mitigate these costs.

19 One thing we should float is the possibility of a 2-3 day annual event for regulatory commissioners. The core course is targeted more at staff of commissions than the heads of these agencies. A short annual event which covers selected cross-sectoral and sectoral issues might prove quite attractive. Even if this particular event is supported by donors we should charge a fee for attendance. This issue did come up during the Needs Assessment, as well as since. If we think this is a possibility, then we should include this in the core analysis given above.

Publications (pages 14-17)

20 *Book of the core course* - we are charging \$2000 for the course – it represents valuable intellectual property which we may not want to sell as a book. We could consider putting out good regional case studies, either on the web or attached to the newsletter but we need to give a lot of thought to this. Even if we decide something is to be produced we need to set aside time for editing etc (are we expecting presenters to provide more than 4 pages per session we are asking for as preparation for the core course) and then production. This would not be a light undertaking and would require the right budget and time allocation, which raises questions about whether we should do this or allocate this to other activities.

21 *Newsletters* –this seems the easiest to do of all the options, and to have considerable potential in terms of marketing and raising the profile of SAFIR. Surely this should also be included in the website, and continued in this form if and when it is decided that hard copy is a duplication, although this date would seem to be a while away? There seems to be little point in dropping this after a year. Getting regulators or commentators on this to write articles on a regular basis would be a good way of making it have interesting content at relatively low cost. The newsletter is definitely a good idea, but TERI are already putting out *Regulator* so we would need to look at whether these fit together, whether the SAFIR newsletter is a regional version of *Regulator* or what.

22. *Manuals* – doing a good manual will be difficult and time consuming and the utility of one especially in the water sector where nothing has happened to date is questionable. Maybe manuals are easier to put together and potentially of more use when there is some case study experience to build on. In water, there exists the Toolkit prepared by the Bank which covers some of the issues that are mentioned. Overall, this one does not seem to be a priority for SAFIR.

Research Projects and Case Studies

23 \$200,000 seems an astronomical figure Even if a donor decided to come up with the money, can it really be productively spent? Ensuring relevance of research is always difficult, particularly if it is done with free money.

24. It would seem better to tie this very directly into the products being offered by SAFIR- the core course plus whatever training capsules are developed. This would help to ensure that (i) there is some quality control – i.e someone is worrying about whether the research will produce a worthwhile story for participants in the course; (ii) there is a defined delivery date – determined by the course; (iii) there is relevance in that the Administrative Partner, the Steering Committee and the Bank plus other involved donors would have approved the curriculum of the course

25 TERI has expressed concerns that the research into regional case studies needed additional funding over and above that given to faculty participating in the core course We may need to review the cost of good case studies but ensuring the link to SAFIR training programs is important This is always difficult and therefore we should ensure this link is maintained at least through providing smallish amounts of research for the production of training capsules or modules for the core course.

26 More generalized research is no doubt good but should SAFIR do this? Maybe NCAER, TERI, others in India or elsewhere could do this and we could pick them to develop this for case studies along the lines mentioned We have to remember that SAFIR cannot cover all bases in this area

Funding from the Regulated Companies

27 The report refers to this as one way of funding SAFIR activities e g research This is potentially very promising but we need to treat the governance aspects with the utmost caution We need to state clearly how funds will be raised and utilized in a way that does not compromise the independence of anything SAFIR does At the end of these comments there is an attachment which describes briefly how this has been done in the case of the CRI in the UK Although it may not be possible to replicate the entire structure in SAFIR, it could be a model for developing an appropriate relationship with the private sector

28 Funding for research could also come from public sector utilities e g. NTPC or Powergrid. Though they are publicly-owned, we should maintain the same rules as for private sector service providers or financiers.

Institutional Structure

29 We need to place within the structure the real beneficiaries – the regulators of the region, of whom only a subset will be in the Steering Committee We also need to tackle

the question of how the regulators might combine to form the Steering Committee/governance structure of SAFIR. This is raised but we need to go into more detail on the pros and cons of forming a formal association, or a looser more "virtual" grouping. We also need to look at existing institutions. How for instance do you see it interacting with the National Forum of Regulators that has been established in India, and which seems to quite effectively get together the power sector regulators?

30 The Steering Committee is still somewhat detached from the process – this was quite clear from the meeting we had in Colombo. How do you propose we get better integration of the members into the way SAFIR is run?

31. How do members of the committee fund their travel and participation in meetings outside of their home country? The Bank has been paying for about half of the attendees at the two meetings we have had thus far. Is having a source of funds a qualification for membership or do we have to get funding for this from somewhere?

32 In terms of contracting, its not clear that the Steering Committee would be contracting anyone over the next year or so. The steering committee will not be the direct recipient of PPIAF money - unless it does become a real body.

33 There is more prominence given to donors than we would really like to see in both of the diagrams on pages 4/5

34. Administrative/satellite partners – we need to look at how these are selected and how many we have in each country.

35 Aren't there more than two models? OCUR in the Caribbean has only a single person; what is it about SAFIR that requires an Administrative Partner? A fuller framework for assessing the models as well as more thinking about the models is needed

36. Can we draw out links that exist/might exist to IFUR and others e.g. NRRI, World Forum for Energy Regulation, and the role of SAFIR within the network of research bodies?

37. Proposed SAFIR Secretariat: (a) the expenses are enormous - \$360,000 per year. It is difficult to see this being financed and hard to see how it fits into the cost/revenue figures given later, as far as we can see it does not. More importantly, it is hard to see how many of the components can be justified, in particular the three full-time subject matter experts, given that costs associated with the development of training/capacity-building products and research (see later comments); and (b) the extent to which the library and website costs could be covered by subscriptions is examined later and is an issue, but this potentially seems to be a cost which it will be more difficult to recover through user fees. It is far from clear that a secretariat need be anymore than a small group of people - specialist skills can be contracted in. Lean and mean has to be a byword and consequently the whole secretariat costs rethought.

Editorial Comments

Page 1, introductory paragraph – more correct to say that Governments have reassessed their roles re policy, regulation/enforcement and operation/delivery of infrastructure and utility service provision, with changes to the latter two;

Page 3 SWOT Analysis: in the last sentence, we need to make more clearly the distinction between SAFIR and its Administrative Partner, and the general concept of cost-recovering capacity-building initiatives in this area. If TERI faces competition in the future, this is surely positive for the overall concept we are pushing

Page 4 Institutional Structure 1st para – hard to say that we really accord primacy to the Steering Committee. They are not engaged as much as we would have liked and they are at present more of a sounding board.

Pages 3, 4, 5: Please ensure that PPIAF gets due credit for funding the initial stages of SAFIR. This will be important as we would like to use part or all of the Strategy Document as the basis for further support from PPIAF and we expect that the donors to the fund would like to see credit given where it is due. Diagrams (for example showing funding support) should also show PPIAF's contribution.

Page 10, Core Course description: 3rd para: a more realistic objective is an introduction to the wide range of issues that regulators need to understand, an explanation of the way that these issues are interlinked, an understanding of the broad issues raised so that focused work can then be undertaken and knowledge of the various resources available to address these issues; 1st para: rather than economic theory, the theory of incentives and procurement is more appropriate for what we will be teaching.

Page 13 para 9 there is no UK case study of water. Northern Ireland is different to Scotland which is different to England & Wales. NI is still pure state owned enterprise while Scotland is mixed and E&W is the only fully privatized.

Centre for Regulated Industries

The CRI model is as follows:

It was established as a non-profit organization where companies, academics and regulators could come together. There is an annual fee - regulators face a subsidized price that entitles them to

- 1) membership of a steering committee
- 2) copies of research publications as they are produced
- 3) a set number of free places at workshops and conferences

Members are also able to finance specific pieces of research for which they:

- 1) have an input to the design of the work
- 2) see the output of the research early and are able to comment
- 3) do not have a veto over the publication of the research - although I think they do have the option of having their name removed from the document

This means that CRI is seen as independent and autonomous but companies and regulators are involved because it is clearly useful to be so. At the beginning most of the UK regulated companies and all the regulators belonged, as well as several of the key consultancy groups. CRI was always perceived as independent (so the model worked) and was very influential in setting the agenda for debate in the early years

There are aspects of this model that could be used for SAFIR - maybe allowing membership of a research committee under the steering committee that also includes the private sector

From: <atownsend1@worldbank.org>
To: Ardhendu Sen <asen@ten.res.in>
Date: 12/8/99 2 50AM
Subject: Re SAFIR - Strategy [Virus checked]

Mr Sen,

I have a few comments on the document

1 The document is missing a crucial piece of analysis supporting the SAFIR "vision and mission" (pp 3-4) We need to consider here the requirements of regulatory agencies for information exchange and capacity building, existing resources to meet those needs, and the gap that exists between the requirements and available resources We should consider what is missing in the present situation and what, out of the missing bits, should best be done by SAFIR One must consider the possibility that not much is missing and that what is left may best be done by agents other than SAFIR One must also account for the possibility that regional regulators will demonstrate, through their actions, that they are really not that interested in SAFIR and will choose to satisfy information, reserach, and training through other mechanisms if at all

2 There is entirely too much focus on donor funding SAFIR and indeed the whole regulatory enterprise in South Asia will fail unless ownership (and costs) are squarely with the region. Donor funds should be seen as useful in the start-up phase and thereafter as a luxury -- nice, but not essential With this starting point, the nature of SAFIR as an institution therefore depends upon the range of possible activities that SAFIR might do, in light of the range of activities that regional regulatory bodies will support financially (in general or through payment of participation fees for specific events)

3 Institutional structures -- the strategy should not focus on interim structures (i e Model 2) The Model 1 diagram as drawn leaves out the appropriate owners of SAFIR, the regulators themselves -- one level above the Steering Committee level The question is how best, if at all, regional regulators organize themselves if the SAFIR initiative moves forward Should it be a regional association? Should it be a more virtual kind of organization, as it is now? Are there other possibilities? Again, the donor role is too prominently featured (and, as Ian points out, PPIAF is not mentioned even in the presentation of the donors) Donor support in the early years can be taken as a given but should not constitute, as it clearly does in the strategy as presented, a justification for having SAFIR at all On administrative/satellite partners, there are several questions Should SAFIR work on an exclusive basis with anyone? If it is an association it could potentially have a multitude of partnerships within the region as well as globally, and handle internal admin and organization itself through some sort of permanent structure A stand-alone secretariat (p 7) may not necessarily be a more expensive option, since it would have the potential to control costs and workflow better than a consulting firm or a research institution And there are likely to be other significant advantages of having a strong, separate institution

4 In the body of the strategy, rather analysis based on the results of the needs assessment should be offered The training function comes out of the Needs Assessment box, but not the need for the info center or research. So should those be dropped? The strategy does not address this

5 The proposed training capsules are potentially interesting. These and other program development details might best be attached separately, as they may distract the reader from core strategic issues. The "capsules" issue will be important to discuss at the next Steering Committee meeting. Only if ownership is firmly with the Steering Committee should these be done. One way to control costs would be for one regulatory agency to sponsor and host a training capsule each time. The Admin Partner would help in organization, development, and marketing but the lead would be by the host agency. That would ensure that the events moved around and that the choice of capsules would be demand-driven. Nobody should attend these for free. I find it impossible to believe that staff in these agencies would not be able to afford \$400 in fees (or whatever cost-based fee is charged). We need to get away from the charity culture.

6 On publications, there is no point in doing a newsletter that will only be around for one year. I think that SAFIR should assume that connectivity to the internet will increase steadily over time. I have no problem with SAFIR being a bit of a "pull" in the push-pull equation. I think the concept of manuals should be dropped. Let others write the textbooks. The question of whether to put out proceedings should be subject to a market test. I would lean against putting out proceedings of the training course, as this is valuable intellectual property. If people want it, pay \$2,000 to attend the course. I would be in favour of publishing, occasionally, a volume of case studies and the occasional output of one or several capsules, but only on a fully sponsored basis as these will always be money losers, I believe (though electronic dissemination would be much less of a money loser).

7 Research Fund – I do not think that anything other than a series of small awards, rather than large and long research undertakings, should be considered. Perhaps one way to fund this would be to raise a corporate endowment – \$1-million or so would be required – and use the interest to make grant awards for worthy projects. Just an idea.

8 Alliances – this deserves more play. We need to have a better feel for when SAFIR would lead, when it would support (i.e. lend its name and little or nothing else), when it would be a partnership of equals, etc. What is in it for other institutions? There must be more than just a single institution to potentially get involved in Pakistan, Bangladesh, and Sri Lanka. And the list in India should be pared down to a select few. On donors, we need more info on the South Asia Regional Initiative. If USAID is bringing serious money to the table, perhaps we need to consider USAID stepping in to back out PPIAF and the Bank. There needs to be more consideration of the implications and potential of corporate sponsorship. I like the idea. But has anyone spoken to the corporates as yet?

9 Marketing – the section talks mostly about information flows, not real marketing. TERI may need to bring in an experienced marketing professional to advise on what should go into this section. Again, the issue of financial viability has to be at the heart of any marketing strategy.

10 Financial Viability – much more work will need to be done here. There is too much dependence on donor funds. We need to make the books balance. An annual conference could be a money-maker; this should be considered.

A final comment – the document is moving in the right direction but should only be completed after the February training course for two reasons. First, so that feedback from the Agra event can be incorporated. Second, so that TERI can focus on course development, marketing, and organization in the next two months. Especially marketing.

Sen - Re SAFIR - Strategy [Virus checked]

Best regards,

Alan

CC: <Charris@worldbank.org>, Leena Srivastava <leena@teri.res.in>

The Management Structure and Staffing

In either of the two models, a secretariat would be needed to implement the program. A minimal structure for the secretariat would have a senior person designated as the Project Manager. The Project Manager would be assisted by three subject matter experts covering the fields of power, telecom, water and transport. This expertise is essential if the program is to stay in touch with the frontier of research on regulation. The support of two professional staff would be required in marketing the program and in running the information centre.

Box 4 A tentative budget for SAFIR secretariat		US \$ / year
	Salaries	Other Expenses
Project Manager	50,000	
Three Subject Matter Experts in Energy and Telecom, Water and Transport	1,10,000	
Two Professional staff for Marketing, Library and Website Development	75,000	
Secretarial Staff	32,000	
Library		5,000
Website equipment and rentals		5,000
Travel and Administrative cost		85,000
Grand Total		3,62,000
Note: TERI rates have been used		

The approximate annual cost in terms of salaries, office expenses, travel, books and equipments would be around US \$ 362000 per year (Box 4). The Steering Committee when formally constituted would have the option of setting up its own secretariat or utilising the services of an institutional partner. Obviously a stand-alone secretariat would be the more expensive option as the institutional partner would charge only for the professional time actually used. The institutional partner, which will be a premier research institution working on regulatory issues could not only provide the same services at much less cost, it could also provide a higher profile and visibility to the program.

The Implementation Strategy

SAFIR Programs

South Asian regulatory reforms have distinctive features which have not yet been adequately researched into. There is a need to learn as we go along and SAFIR programs have to support both the dissemination and development of knowledge. However, there is a substantial body of literature on regulatory theory and practices that could be used in designing training courses for regulators. This deals both with the needs for regulatory reforms and the tools that regulators use. Much of this literature is of direct relevance to regulators in South Asia. Capacity upgradation would be accomplished through:

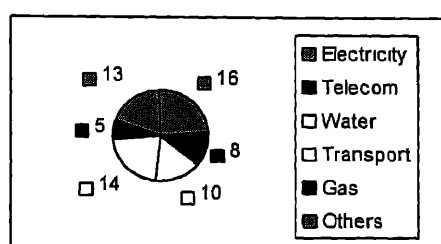
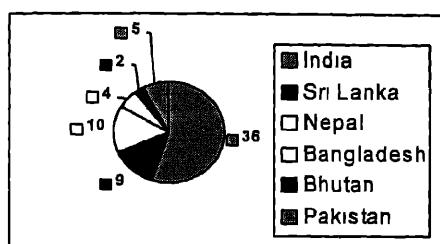
- Training courses, seminars & Workshops
- Publications
- Website development
- Development of manuals and case studies within the region
- Undertaking / supporting research projects

In order that these activities are based squarely on the felt needs of the region, a Needs Assessment exercise was undertaken in August-September 1999 (Box 5). The SAFIR programs have been drawn up on the basis of the findings of this exercise. However, the needs assessment exercise is an ongoing process and as the perceived needs change, the training programs will have to be suitably redesigned.

Box 5. The Needs Assessment exercise

A questionnaire designed and pre-tested in consultation with a number of regulators, government officials and corporations was circulated to 400 stakeholders in all the countries in South Asia. Sixty six responses were received. This was followed up by visits to Nepal, Bhutan, Bangladesh and Sri Lanka to meet regulators and concerned organizations.

Country wise and sector wise analysis of responses to questionnaire



The important findings of the exercise are summarised below:

- The training courses should rely on a mix of lectures, case studies and hands on exercises
- Short training capsules should be organised at various venues in South Asia on specific topics
- Seminars / Workshops need to be organised to target specific stakeholder groups such as labour unions, consumer groups etc.

Training Courses

The Flagship of the SAFIR program will be the Core Course which will be a two-week course aimed mainly at practicing regulators and the staff of regulatory commissions. In addition, the course could accommodate a few government officials, industry members etc. This course will introduce the need for regulatory reforms and also provide a fairly rigorous exposure to the tools and techniques of regulation.

In addition to the core course, a number of 1-2 day Training Capsules will be organized on specific topics at various venues in South Asia. These will be aimed at both regulators and other concerned groups, such as government officials, consumer groups, labour unions etc.

The Core Course

SAFIR is organizing its first core course on Infrastructure Regulation and Reform in February 2000, in Agra, India. The topics included for discussion may be classified into four broad areas: Economic Theory, Financial Principles, Market Reforms and Competition Policy.

The first week of the course will deal with reforms in the infrastructure sectors, the need for regulation and competition in these sectors, related issues and international experience. The second week will concentrate on actual regulatory techniques, the financial methodology for the regulatory process and sector-specific case studies in power, telecom, water and transport sectors.

The faculty for the course will include leading regulatory experts from the South Asian region and also internationally recognised experts working on regulatory issues in U.K., U.S.A. and Latin America. The course will cover restructuring and privatization, establishment and organization of regulatory agencies and principles and detailed application of tariff setting and other regulatory interventions. The sessions will cover telecommunications, power, oil and gas, transport and water/urban services. There will be sessions on cross sectoral issues and also break out sessions dealing with individual sectors. At the end of the course, the staff of the regulatory commissions are expected to be able to apply the techniques in practice.

The Core training program in 2001 and 2002 would have a similar framework with changes as required to reflect regulatory developments. The response received from the participants at the end of the Core training program would be used to appropriately change the course content, methodology and structure. If the response to the first core course is encouraging, SAFIR may consider conducting the program twice a year.

The Training Capsules

SAFIR, in its effort to provide an intensive understanding of sectoral issues, will conduct a series of smaller sector specific and issue based courses / workshops throughout the year. These programs will normally be of 1-2 days duration. The workshops will be addressed to particular stakeholder groups. The programs will provide an opportunity to develop and enhance competence in analytical issues.

A list of topics selected for the training capsules to be organized in 2000-01 along with tentative dates and venues is given in the table at Annexure I.

The Needs Assessment exercise has brought out the need for using case studies and hands on exercises for the training programs. These, along with interactive sessions and group discussions would be used in the training courses. CD-ROM based interactive sessions would also be developed. Wherever feasible, the timing of the capsules would be adjusted to make possible visits by the participants to witness public hearings conducted by regulators. An outline of the issues to be covered in the training capsules is given below:

1. Financing Infrastructure Projects: Managing Business and Regulatory Risks

Infrastructure Projects have largely been implemented in the public sector so far where returns were low but assured. With the entry of the private sector and the introduction of regulatory reforms, financial institutions and utilities will have to contend with both business and regulatory risks. The capsule will be targeted at financial institutions, regulators and utilities. Models such as the INFRISK model would be discussed. International faculty will be required.

2. WTO obligations and Telecom Sector regulations

A number of the telecom sector regulators do not as yet clearly know the WTO obligations and how these may affect the industry structure, use of technology etc. in the telecom sector. The issue was flagged in the second meeting of the steering committee. This training capsule would be aimed at telecom sector regulators and would rely on regional faculty.

3. Research on regulatory issues in South Asia-Setting the priorities

This capsule is aimed at universities, business schools, technology institutes and research institutions in South Asia. The objective is to bring these institutions in contact with regulators so that research efforts on regulatory issues in South Asia could be more focused and need based. This capsule will rely on regional faculty.

4. Workshop on key issues in Regulatory Reforms

The objective is to address ministers and senior government officials on the question of regulatory reforms. The relation between governments and independent regulators, the rights of governments to review decisions of regulators and to issue directions, the implications of autonomy of independent regulators, consumer problems, labour issues etc. would be the important topics for discussion.

5. Workshop on the new regulation and the consumer- Rights & Responsibilities

For the newly appointed independent regulators, dealing with consumer grievances is an important problem area. It would be in the interest of these regulators to be able to deal with consumer forums rather than individual consumers. On their part, the consumer forums need to get used to the new regulatory regime. This workshop will address the various issues in this area.

6. Reforms in Telecom Sector: Ensuring Quality of Services

Selection of parameters to measure the quality of services, pricing of higher value services, the incentives and enforcement issues would be addressed in this capsule. Expertise available in the region would be used. The case study of Sri Lanka would be presented.

7. Workshop on Infrastructure Reforms: Seeking Labour Support

Labour unions have by and large been apprehensive about regulatory reforms and have openly opposed them in many cases. Issues of job cuts due to competition, withdrawal of subsidies etc. have been of concern to labour unions. The workshop will seek to bring labour unions, government officials, and regulators together to discuss these issues.

8. Performance Based Tariffs: Power Sector

The issues in changing over from cost based tariffs to performance based tariffs are under discussion in South Asia. The introduction of availability based tariffs has also been discussed. This capsule will cover issues in this area. It is proposed to have international experts in addition to regional faculty.

9. Issues in Water Supply Regulation: Learning from the Experiences of Developed Countries

Access to safe drinking water continues to be a serious problem in South Asia both in the urban and rural areas. Of late, a few experiments have been taken up in privatising water supply – Chennai, Bangalore and Pune being notable examples. However, expertise in this field is yet to develop. This capsule will use international faculty to discuss lessons to be learnt from developing country experience. The U.K. case study would be presented

10. Issues in Spectrum Management

Telecom regulators in Bangladesh and Sri Lanka have flagged the issues relating to allocation of bandwidth, pricing of bandwidth, keeping a watch over utilisation of allocated bandwidth and co-operation between bordering countries as important issues in this area. Expertise available in India would be used for this capsule.

11. Power Sector Reforms: Environmental & Social Issues

The environmental responsibilities of power sector regulators, conflicts between the jurisdiction of the regulators and existing environmental enforcement agencies, issues of rehabilitation in hydro-power projects, concessional pricing of power for disadvantaged consumers etc. are proposed to be discussed in this capsule.

12. Privatization of Gas Industry: International Experience

Exploration and production of gas has seen some privatization in India, Pakistan and Bangladesh. However, transmission and distribution of gas is still largely in the public sector. Modalities for privatization are under discussion in all the countries and the need to learn from the experience of Latin American countries has been flagged. This capsule will be focussed on these issues and would require international experts.

It is proposed that the package of twelve short training capsules would be repeated in the subsequent years. Many of these courses could be held again in 2001-02 and new ones added as required.

Publications

The other important media of knowledge dissemination would be the various publications. These will include:

Manuals

Newsletters

Proceedings of the training courses and workshops

Manuals

A large volume of writings is now available on regulatory issues. A number of helplines also provide information over the net. However, there would be a need for reference books for use by regulators, especially in the water and transport sectors where the literature is yet to develop as much as in other sectors. The manuals have to be tailored to the felt need of the regulators and the Steering Committee would have to be closely associated with the effort.

Box 6. An illustrative list of issues for a manual on the water sector

- an introduction to the hydrological regimes in South Asian countries in terms of rainfall, surface discharge, groundwater use and recharge
- water quality as established by monitoring agencies, nature of principal pollutants and their sources
- policies that affect water use
- urbanisation: patterns and projections
- technologies for water supply on various scales
- cost benefit analysis of technological options
- pricing of water supply
- safety and enforcement issues
- legal provisions governing the supply and use of water, need for changes in outdated Municipal Laws
- issues in privatisation of water supply
- case studies in models and experience of privatisation

Newsletter

This will be a quarterly publication capturing regional developments in regulation in the region. The newsletter would carry important legislation, notifications by governments and rulings by regulators and analyses of these developments by experts drawn from all the countries in the region. The newsletter is initially proposed only for one year (2000-01). Later, when the website reaches a larger number of target groups, the newsletter would become redundant and could be dropped.

Proceedings of the training courses and workshops

The training course material and workshop proceedings will be compiled and published. The Core Course will provide material for one of the publications and the proceedings of the training capsules will be combined and brought out in three volumes.

Website Development

The SAFIR website at www.safir.teri.res.in has been operational since September, 1999. The web site at present includes the following sections:

- a section highlighting the core training program with details on the faculties, program structure, and registration. The section also allows on-line registration for the program.
- The *Virtual library* allows access not just to web sites but to papers or specific documents on regulation. It provides a classified and interactive user interface. The library consists of
 - *Links*: classified sector wise.
 - *On-line documents*: at present cover only Telecom and Electricity sectors but would include sectors like natural gas, water, and transport.
 - *Bibliographies*: at present classified alphabetically ; would be classified subject-wise.
 - *Key contacts*: classified countrywise.

In addition to the Website, an information centre has been maintained with a bibliographic database on regulatory issues. This can be accessed by e-mail, phone calls and personal visits.

Future plans

- Expansion of the information base by including
 - Case-studies
 - Current research work being conducted on regulation
 - Status in member countries
- A section on Events could list all the major forthcoming and past conferences and workshops. The section could also provide schedules and registration forms related to the events.
- Media clips on regulation would be made available on the web site.
- On-line searchable bibliographic database which could be accessed on subscription/free basis. The database could be searched on the basis of keywords.
- Directory/key contacts could be expanded and classified subject-wise
- Electronic conferences/workshops could be organized.

- Chat sessions with the experts in the region could be arranged on the web site, users could post their queries before-hand which could be answered on-line by the experts.
- Web site promotion: The web site would be submitted to various search engines and cross linkages from other related web sites would be requested. The web site would also be announced on various related mailing lists and discussion lists.

Research Projects and Case Studies

The Needs Assessment exercise has established the need for research into regulatory issues. While sectors specific research could be conducted by individual research institutions, SAFIR may take up research into issues which are cross sectoral and of relevance to more than one South Asian countries (Box7). The Institutional Partner would have the responsibility to draw up a list of research projects which could be considered by the Steering Committee for prioritising and support. The Steering Committee may form a Research Subcommittee to for this purpose.

These research projects are proposed to be taken up as collaborative efforts of research institutions in South Asian countries. It would be possible to complete one project in a year's time. The number of the projects to be taken up would depend on the donor support available. Additionally, case studies would be developed for use in core courses and the training capsules.

Box 7. SAFIR Research Projects: illustrative list

- **Government Policy Direction and its impact on Regulatory Autonomy**
Even while introducing independent regulation, governments have retained the right to issue directions. These tend to curtail the autonomy of regulators. While many different legal provisions have been tried, the modalities to meet the concerns of the two sides are yet to be worked out satisfactorily.
- **Regulators' role in promoting the reforms process**
Regulators in developed countries have been instrumental in progressively decontrolling their sectors. The course of decontrol in South Asia could be different. Identification of the milestones and resolution of issues at various stages of introducing competition would be the areas of study.

Box 7 – Contd.

- **Handling consumer complaints – regulators' role**
Handling of consumer complaints would be a major issue for the regulators. The relation between regulators, consumer forums, consumer courts and law courts require study through comparison of models and successful practices.
- **Decision making process**
The decision making by regulators needs to be consultative and transparent. There is, however, a danger of the process becoming dilatory and expensive. Benchmarking with best practices is required.
- **Regulatory issues in cross-border energy trade in South Asia**
Some amount of electric power is now traded between India, Nepal and Bhutan. There is a possibility of power as well as natural gas being traded between India, Pakistan and Bangladesh. The idea of a South Asian energy grid has been discussed now and then. There would be important issues to be addressed in the co-operation between the power and gas sector regulators in the trading countries.

Strategic Alliances**Alliance for Research**

The foremost requirement for the success of the SAFIR initiative is that SAFIR stays in regular touch with the frontier of research on regulatory issues. This mandates alliances with institutes such as the University of Florida. This would help SAFIR in accessing course material as well as resource persons.

Alliance for program development and implementation

Alliance with regional institutes will be required in the preparation of course material, especially case studies and in coordinated research projects. Such alliances would also help SAFIR in organising the training capsules at various places in the South Asian countries. A list of institutes engaged in research on related and relevant topics is given below:

India: IIMs, IITs, IGIDR, XLRI, XIM

Bangladesh: Bangladesh University of Engineering Technology

Nepal: Nepal Foundation of Advanced Studies, Centre for Economic Development and Administration

Sri Lanka: University of Moratuwa

Pakistan: Hamdard University, Islamabad

At an appropriate time one institute in each country could be developed as a **Satellite Partner**. The Satellite Partner would, in turn develop link institution within the country.

Alliance with Donor Agencies

The other group of organisations with which alliances would be required is the group of donor agencies active in South Asia. These agencies such as UNDP, USAID, GEF, DFID, CIDA, IDFC, etc. are interested in sponsoring candidates to the training courses or in bearing the expenses of international faculty. Similar arrangements could be worked out with some leading corporate houses in the infrastructure sectors. The corporate houses could assist by sponsoring their employees to the training courses. Some corporate bodies may be willing to contribute to a fund dedicated for research or for use as a **Scholarship Fund** to be used in sponsoring participants from consumer groups, NGOs etc. who are unable to pay on their own. USAID is about to launch the South Asia Regional Initiative. This could be linked to the SAFIR program.

Marketing Efforts

For the various SAFIR programs to be sustainable, it is important that existing 'markets' be informed and new 'markets' developed. The markets we are addressing with the objective of sustaining the SAFIR programs are fairly diverse both in terms of structure as well as end-use. Thus, for example, we could have 'training user markets', 'training provider markets', 'information markets' (both user and provider), 'sponsor markets' etc. Each of these could be further segregated by sector or stakeholder group. In order to usefully exploit these markets, and to design an appropriate marketing strategy, the institutional partner would have to be as much a receiver of information as a provider of information. As such, networking with relevant organisations / institutions / experts will be an essential function of the institutional partner and, apart from the marketing coordinator, each individual associated with SAFIR would have to assume a marketing function.

That said, the marketing strategy for the program would target two major groups of people – the users and the providers. In the first instance, the institutional partner would be responsible for disseminating information and in the second instance the institutional partner would receive information so as to (a) be able to provide a better quality of output and (b) to then be able to use this for better information dissemination.

The information dissemination based marketing would seek to:

- Expand the subscriber list of SAFIR products
- Enhance participation levels in SAFIR training programs
- Seek sponsors for SAFIR activities

Various media could be used for fulfilling the above such as:

- Direct mailings/meetings
- Printing of brochures
- Newspaper advertisements
- Newspaper articles/news coverage
- Posters/banners/stalls in other related and relevant events
- Web based and electronic dissemination

As a receiver of information, the marketing coordinator would need to be abreast of

- Related training programs/events being organised in the region
- Projects/Programs being implemented by various multilateral/bi-lateral/government organisations
- Research being undertaken, or case studies being developed, by other institutions

For this purpose, the means of collecting information could be:

- Announcements of programs/events
- Enrolling on the mailing lists of relevant institutions
- Web linkages
- Publications (print or electronic) announcing business development opportunities
- Networking with marketing/information coordinators in relevant institutions

This would require the institutional partner to not only develop an extensive contact database but also to get on to the databases of potential partners

Financial Viability

Cost of the Program

The cost of the program outlined above upto February 2002 would be as below (Details at Annexure II):

Table 1. US \$

Activity	Mar 2000 Feb 2001	Mar 2001 Feb 2002	Mar 2002 Feb 2003
Core Course	234,300	203,500	203,500
Training Capsules	240,900	227,100	192,300
Manual on Water Sector Regulation	50,000	50,000	NIL
Research Projects	200,000	200,000	200,000
Website development	5000	5000	5000
Newsletter	5000		
Total	735,200	685,600	600,800

The savings in the cost of the core course over the years are due to reduction in professional time required for course development, marketing etc., and replacement of international faculty by regional faculty. The savings in the cost of training capsules is due to the replacement of international faculty by regional faculty. In addition to these courses, one research project is proposed to be taken up every year and one manual is proposed to be developed in the first two years. The newsletter is proposed only for the first year.

Each Core Course is expected to get 80 participants who will pay a fee of US\$ 2000 per head. The twelve training capsules are expected to have 240 participants in the first two years of whom 200 would be paying US\$ 350 per head in the first year and US\$ 400 per head in the second year. 40 participants in each year drawn from government officials, NGOs, consumer groups would not be required to pay fees. In the third year the number of participants would increase to 360 out of which 320 would pay US\$ 450 per head and the other 40

would attend free of cost. For the core course to be offered in February 2000, the World Bank is meeting the professional cost of TERI alongwith the expenses of regional and international faculty. It is expected that the same kind of support would be available from the Bank for the two subsequent core courses to be offered in February 2001 and 2002. It is also expected that the same cost items would be supported by the Bank or other donors for the training capsules for the first two years. No indications are as yet available of the donor support to be expected for 2002-03 and beyond and none have been assumed for the following analysis. With these assumptions, the participant fees and possible donor support work out as shown below:

Participant Fees and Possible Donor Support

Table 2.

US \$

Activity	Mar 2000 Feb 2001	Mar 2001 Feb 2002	Mar 2002 Feb 2003
Core Course			
Participant Fees	160,000	160,000	160,000
Donor Support	154,300	123,500	NIL
Total	314,300	283,500	160,000
Training Capsules			
Participant Fees	70,000	80,000	144,000
Donor Support	168,900	155,100	NIL
Total	238,900	235,100	144,000
Grand Total	553,200	518,600	304,000

The above figures of expenditure and income show the following deficits in each of the years:

Table 3.

US \$

Particulars	Mar 2000 Feb 2001	Mar 2001 Feb 2002	Mar 2002 Feb 2003
Cost as per Table 1	735,200	685,600	600,800
Income as per Table 2	553,200	518,600	304,000
Gross Deficit	182,000	167,000	296,800

These deficits are too large to be met by increasing the participant fees. As a first step, the cost of research projects and manual development has to be separated out. It is accordingly proposed that these two activities would be undertaken only if donor support is available for them separately. As the next step it is proposed that corporate sponsorship for meeting part of the costs of the training programs be secured as early as possible, preferably from the second year onwards. With these assumptions, the income-expenditure position for the next three years would be as below:

Table 4. US \$

Activity	Mar 2000 Feb 2001	Mar 2001 Feb 2002	Mar 2002 Feb 2003
Core Course			
Expenditure	234,300	203,500	203,500
Website & Newsletter (pro-rata)	6,000	1,000	1,000
Income	314,300	283,500	160,000
Surplus / Deficit	+114,000	+79,000	-44,500
Training Capsules			
Expenditure	240,900	227,100	192,300
Website & Newsletter (pro-rata)	4,000	4,000	4,000
Income: Donors & Participant fees	238,900	235,100	144,000
: Corporates	NIL	10,000	30,000
Surplus / Deficit	-6,000	+14,000	-22,300

The surpluses in the budget for the core course and the training capsules in the first two years would be required to offset the expected deficit from the third year onwards when no donor support has been assumed. It may be seen that the program would be sustainable even in the absence of donor support. At the same time, efforts have to be made to tie up donor support for these years also. The deficits would also have to be reduced by stepping up efforts to get more participants, tie-ups with other donors and gradual and reasonable increases in the participant fees. In future, SAFIR may charge membership fees which could also supplement the funds available to run the programs.

Donor Support to be Mobilised

On the basis of above analysis, the following level of donor support is to be mobilised for the years March 2000-February 2001 and March 2001-February 2002.

Table 5.

US \$

Support Required	Mar 2000 Feb 2001	Mar 2001 Feb 2002
Core Course	154,300	123,500
Training Capsules	168,900	155,100
Manual for the Water Sector	50,000	50,000
Research Project	200,000	200,000
Website and Newsletter	10,000	5,000
Total	583,200	533,600

Annexure I

The Year Planner for Training Program & Workshops: Year 2000-01			
Scheduled Time	Location	Target Audiences	Title
Mar-00	Mumbai, India	Financial Institutions, Corporates, Regulators	Financing Infrastructure Projects: Managing Business and Regulatory Risks
Apr-00	Jaipur, India	Telecom sector regulators, service providers, consumer groups	WTO obligations and Telecom Sector regulations
May-00	Bangalore, India	IIMs, IIIs, Universities, Research Institutions	Research on regulatory issues in South Asia- Setting the priorities
Jun-00	Kathmandu, Nepal	Ministers and senior government officials	Workshop on the key issues in Regulatory Reforms
Jul-00	Hyderabad, India	Consumer Forums, NGOs	Workshop on new regulation and the consumer- Rights & Responsibilities
Aug-00	Colombo, Sri Lanka	Telecom Sector regulators	Reforms in Telecom Sector- Ensuring Quality of Services
Sep-00	Jamshedpur, India	Regulators, Labour Unions, Govt. Officials, NGOs	Workshop on Infrastructure Reforms: Seeking Labour Support
Oct-00	Mumbai, India	Power Sector regulators, utilities, consumer groups	Performance Based Tariffs: Power Sector
Nov-00	Thimphu, Bhutan	Municipalities, Govt. officials, consumer groups	Issues in Water Supply Regulation Learning from the Experiences of Developed Countries
Dec-00	Dhaka, Bangladesh	Telecom sector regulators, service providers	Issues in Spectrum Management
Jan-01	Goa, India	Power sector regulators, NGOs, utilities, consumer groups	Power Sector Reforms: Environmental & Social Issues
Feb-01	Islamabad, Pakistan	Gas sector regulators and utilities	Privatization of Gas Industry: International Experience

Annexure II

US\$

DETAILS OF COSTS AND REVENUES

1. Core Course

Details	February, 2001	February, 2002	February, 2003
Professional cost of TERI/Institutional Partner and Regional Faculty (1)	81,400	73,700	73,700
Cost of faculty (2)	72,900	49,800	49,800
Accommodation, logistics, etc (3)	80,000	80,000	80,000
Total costs	234,300	203,500	203,500
Revenue from fees (4)	160,000	160,000	160,000
Donor support required (5)	154,300	123,500	0
Total revenue	314,300	283,500	160,000
Surplus/Deficit	80,000	80,000	-43,500

2. Training Capsules

Details	Mar, 2000 Feb, 2001	Mar, 2001 Feb, 2002	Mar, 2002 Feb, 2003
Professional cost of TERI/Institutional Partner	55,800	55,800	55,800
Cost of faculty (6)	113,100	99,300	58,500
Logistics (7)	72,000	72,000	78,000
Total costs	240,900	227,100	192,300
Revenue from fees (8)	70,000	80,000	144,000
Donor support required (9)	168,900	155,100	0
Corporate sponsorship	0	10,000	30,000
Total revenue	238,900	245,100	174,000
Deficit/Surplus	-2,000	18,000	-18,300

Notes

- 1 The Core Course costs are based on the rates approved for Feb 2000. Professional time has been reduced by 100 days for Feb 2001 and an other 50 days for Feb 2002. The average rate of US\$ 154/day has been taken.

- 2 Cost of faculty has been reduced by replacing two international faculty by regional faculty in each year
- 3 Includes accommodation, meals (except dinner) and conference logistics
- 4 @ US\$ 2000 / participants from 80 participants
- 5 Covers the cost of professional time of institutional partner and cost of regional and international faculty
- 6 International faculty professional time-US\$ 4000 Regional faculty professional time-US\$ 1000 for the first year Gradually reduced by mix of old and new faculty as below:
Year 1 4 international faculty @ US\$ 5,000 each + 32 regional faculty @ US \$ 1000 each
Year 2 2 international faculty @ US\$ 5,000 each and 2 international faculty @ US \$ 2,500 each + 16 regional faculty @ US \$ 1000 and 16 regional faculty @ US \$500
Year 3 36 regional faculty @ US\$ 500 each
- 7 Does not include accommodation
- 8 US\$ 350 per participant per training capsule for 200 participants for the first year
US\$ 400 per participant per training capsule for 200 participants for the 2nd year
US\$ 450 per participant per training capsule for 320 participants for the 3rd year
- 9 Covers cost of professional time, regional and international faculty